



March 27, 2017

Charles Smith, Executive Commissioner
Texas Health and Human Services
4405 N Lamar Blvd
Austin, TX 78756

Dear Commissioner Smith,

On behalf of the Women's Health Caucus, we thank you for the opportunity to address our concerns related to the recent disclosure by the Associated Press of details surrounding the \$5.1 million Family Planning funding allotment to the Heidi Group. The Heidi Group, in addition to this Family Planning funding, also has a \$1.6 million contract through the Healthy Texas Women program. As recently published in the Associated Press, there is a lack of tangible results from the Heidi Group in conjunction with these state grants to increase health care accessibility for low-income Texas women. Providing funding to the Heidi Group to facilitate access to health care for low-income Texas women has raised concern from health care providers and legislators as the Heidi Group does not have the administrative experience necessary to oversee the scope of these two women's health state grants. If the Heidi Group is unable to increase accessibility to and assist with providing Texas women with quality health care services, their grant money should be redistributed to one of the many successful women's health care providers and facilitators in Texas.

Texas's investment of \$6.7 million, in the form of two state grants to the Heidi Group, is a substantial amount of state funding from the Family Planning program and the Healthy Texas Women program. This state money was intended to be allocated to ensure accessibility to women's health care and improve the quality of low-income women's medical service programs. The Women's Health Caucus requests that the Health and Human Services Commission seek and make available to the public clarity from the Heidi Group network regarding the amount of women served, the specific services those women are receiving, and the quality of these health care services. By increasing financial and administrative transparency with contractors, the state will broadly have better experiences with these contracts. In addition to increasing transparency, the Caucus requests that the Health and Human Services Commission increase accountability for their women's health state contractors.

In 2016, the Health and Human Services Commission awarded a \$1.6 million contract through the Healthy Texas Women program to the Heidi Group to ostensibly promote the continuity of care for subcontracted providers. While giving millions of taxpayer dollars to promote women's health to a group that possesses an open political motivation regarding women's health issues is an ethical concern, this letter will focus on the importance of accountability and transparency for the Heidi Group and their

affiliates. As the Heidi Group does not have prior experience administering funds to subcontractors that provide services such as well woman exams, family planning, cancer screenings or any medical services of this scope, the Chairwoman of the Women's Health Caucus, Representative Jessica Farrar, in August of 2016, requested an audit of the Health and Human Services Commission's \$1.6 million contract with the Heidi Group. This request for an audit was rejected in January. Legislators, health care providers, and citizens are being denied the opportunity to know how many women are being medically served and the quality of care these women are receiving with taxpayer dollars under these multimillion dollar state contracts with the Heidi Group.

While the number of women served by the Heidi Group network is unclear, the Associated Press highlighted the lack of promised administrative and marketing support for women's health services provided through grants and allocations with the Heidi Group. In addition to the \$1.6 million grant through the Healthy Texas Women program, the second largest grant behind Harris County Public Health and Environmental Services, the state awarded the Heidi Group \$5.1 million from the state's Family Planning program, the second largest grant behind Parkland Health and Hospital System. The Women's Health Caucus requests the Health and Human Services Commission provide numerical information as to how many women have had their health care needs properly served by the Heidi Group network, as this information has not been made readily available. According to the Associated Press, "neither the group nor state officials would say how many patients have been served...by private clinics."¹

In addition to failing to disclose information related to how many women have been served by subcontracted providers within the Heidi Group network, the Heidi Group has also seemingly failed to produce marketing tools that will help those subcontracted providers in their network increase the amount of women served and sustain the quality of health care services provided. The Associated Press highlighted in their article how the Heidi Group has failed to properly create marketing tools, websites, and Facebook pages for smaller clinics in their network to increase the amount of women receiving services. Further, the Heidi Group has failed to establish a 1-800 number to ensure that all women can locate providers. Given that the Heidi Group assumed responsibility for increasing the amount of women served by these health care providers by utilizing marketing, this lack of result is objectionable. This vacuum of services raises serious concerns about whether women are able to locate the Heidi Group's subcontracted providers in order to receive quality and comprehensive health care services. Although Heidi Group CEO Carol Everett has claimed that advertising delays have been caused by the Health and Human Services Commission, the agency has refuted Everett's claim that they are at fault for failing to provide immediate contract funding. Taxpayers deserve transparency regarding how these state funds allocated to the Heidi Group are allegedly being utilized to help increase accessibility for low-income women's health care services.

The Women's Health Caucus is committed to ensuring that low-income Texas women are able to access affordable and comprehensive health care services. Without proper accountability measures, Texas taxpayers cannot understand how their tax dollars are being utilized, and whether those monies are actively helping increase accessibility for women's health care. The Women's Health Caucus requests that the Health and Human Services Commission and the Heidi Group provide answers for whether

¹Weber, Paul. "Get by without Planned Parenthood? One Texas effort stumbles." The Associated Press. N.p., 14 Mar. 2017. Web. <http://hosted2.ap.org/APDEFAULT/3d281c11a96b4ad082fe88aa0db04305/Article_2017-03-14-US--Health%20Overhaul-Planned%20Parenthood-Texas/id-e17af389024b46cab46ed22a328bf6c6>.

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these funds are fulfilling their purpose of serving low-income women by increasing health care accessibility. Both entities must increase transparency for the amount of women served, what services the Heidi Group network is providing, the quality of the health care services provided, and how the Heidi Group network is planning on increasing the number of women served. If the Heidi Group is unable to address our concerns, the Women's Health Caucus recommends the \$1.6 million Healthy Texas Women grant and the \$5.1 million Family Planning grant be awarded to health care provider networks who are able to facilitate and administer quality health care services. The Women's Health Caucus looks forward to working with the Health and Human Services Commission to address these questions and concerns.

Respectfully,



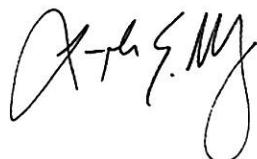
Jessica Farrar
Texas House Women's Health Caucus, *Chair*
State Representative, District 124



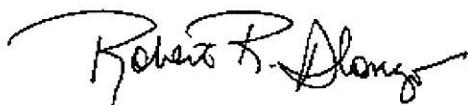
Ina Minjarez
Texas House Women's Health Caucus, *Vice Chair*
State Representative, District 148



Sarah Davis
Texas House Women's Health Caucus, *Secretary*
State Representative, District 134



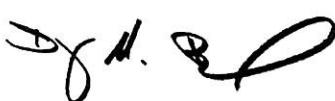
Joe Moody
Texas House Women's Health Caucus, *Treasurer*
State Representative, District 78



Roberto Alonzo
State Representative, District 104



Rafael Anchia
State Representative, District 103



Diego Bernal
State Representative, District 123



Garnet Coleman
State Representative, District 147



Helen Giddings
State Representative, District 109



Roland Gutierrez
State Representative, District 119



Gina Hinojosa
State Representative, District 49



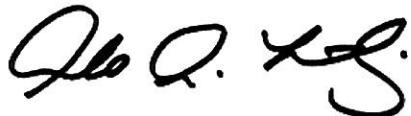
Donna Howard
State Representative, District 48



Celia Israel
State Representative, District 50



Eddie Lucio III
State Representative, District 38



Armando "Mando" Martinez
State Representative, District 39



Lina Ortega
State Representative, District 77



Eddie Rodriguez
State Representative, District 51



Justin Rodriguez
State Representative, District 125



Toni Rose
State Representative, District 110



Senfronia Thompson
State Representative, District 141

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Chris Turner
State Representative, District 101



Tomas Uresti
State Representative, District 118



Armando Walle
State Representative, District 140



Gene Wu
State Representative, District 137

cc:

Members of the Legislative Audit Committee:
Lieutenant Governor Dan Patrick
Speaker of the House of Representatives, Joe Straus
The Honorable Jane Nelson
The Honorable John Zerwas
The Honorable Robert Nichols
The Honorable Dennis Bonnen



TEXAS
Health and Human
Services

Charles Smith
Executive Commissioner

April 7, 2017

Jessica O.

The Honorable Jessica Farrar, Chair
House Women's Health Caucus
State Capitol Building, 1N.8
Austin, Texas 78701

Re: Healthy Texas Women and Family Planning - Heidi Group Contracts

Dear Representative Farrar:

Thank you for your letter dated March 27, 2017, regarding the Heidi Group's contracts in the women's health programs. In your letter, you requested that the Health and Human Services Commission (HHSC) explain the process to ensure the providers in the Healthy Texas Women and Family Planning Programs are quality women's health providers and why the Heidi Group qualified for contracts.

Enclosed is the summary of the HTW and FP contracting process and requested information regarding the Heidi Groups contracts.

Please let me know if you have any questions or need additional information. Lesley French, Associate Commissioner, serves as the lead staff on this matter and can be reached by telephone at (512) 428-1942 or by e-mail at Lesley.French@hhsc.state.tx.us.

Sincerely,

Charles Smith

cc: Lieutenant Governor Dan Patrick
Speaker of the House of Representatives Joe Straus
Senator Robert Nichols
Senator Kirk Watson
Representative Roberto Alonzo

The Honorable Jessica Farrar

April 7, 2017

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Senator Jane Nelson
Representative Rafael Anchia
Representative Diego Bernal
Representative Dennis Bonnen
Representative Garnet Coleman
Representative Sarah Davis
Representative Helen Giddings
Representative Roland Gutierrez
Representative Gina Hinojosa
Representative Donna Howard
Representative Celia Israel
Representative Eddie Lucio III
Representative Armando "Mando" Martinez
Representative Ina Minjarez
Representative Joseph "Joe" Moody
Representative Lina Ortega
Representative Eddie Rodriguez
Representative Justin Rodriguez
Representative Toni Rose
Representative Senfronia Thompson
Representative Chris Turner
Representative Tomas Uresti
Representative Armando Walle
Representative Gene Wu
Representative John Zerwas

Attachment

The 84th Legislature directed HHSC to develop a new women's health program called Healthy Texas Women (HTW). HTW is primarily a women's health and family planning program, but also includes breast and cervical cancer services and limited primary care services related to reproductive health. Additionally, the Legislature directed HHSC to modify the eligibility for the existing Family Planning (FP) program and to expand its service package.

Background and Eligibility for HTW and FP contracts

HTW has two components - Fee-For-Service and Cost Reimbursement. The Fee-For-Service component is patterned after the current Medicaid Fee-For-Service program and the rates are the same. The Cost Reimbursement component provides funds to agencies that support the overall outcomes of clients provided services through the HTW Fee-For-Service program. The FP services are delivered through a HHSC contractor and providers are reimbursed on a fee-for-service and cost reimbursement basis.

To be eligible to apply for a HTW or FP contract, an applicant must be a Texas Medicaid Provider and comply with Texas Human Resources Code §32.024(c-1) (not perform or promote elective abortions or is an affiliate of an entity or individual that performs or promotes elective abortions). HHSC awarded contracts through an open enrollment process.

For HTW, cost reimbursable activities must be directly related to support services that enhance services provided by an Applicant to a client under the HTW Fee-for-Service Program. Per their contract with HHSC, support services include, but are not limited to:

- (1) Assisting eligible women with enrollment into the HTW Fee-for-Service Program;
- (2) Direct clinical care for women deemed presumptively eligible for the HTW Fee-for-Service Program;
- (3) Staff development and training related to HTW Fee-for-Service Program service delivery; and
- (4) Client and community-based educational activities related to the HTW Program.

An HTW contract must provide the following program components in the provision of its identified support services: (1) Program Administration and Management; (2) Quality Assurance/Quality Improvement; (3) Professional Development; (4) Recruitment; and (5) Long-Acting Reversible Contraception Usage. Contractors must submit a work plan to HHSC describing how it intends to meet each element of the required program components.

For FP, contractors are reimbursed for both client services and administrative activities. Since the contractors provide client services and administrative support, the FP contractors received larger funding amounts than what was awarded in HTW.

HTW and FP Contractors seek reimbursement for expenses outlined in their contract budget by submitting monthly vouchers. HHSC reviews each voucher received to ensure the activities described are in compliance with HTW and FP requirements.

In addition to reviewing a contractor's monthly vouchers for compliance, HHSC reviews enrollment and claims data. HTW enrollment occurs through the HHSC eligibility system, TIERS, and enrollment data is available on a monthly basis. FP enrollment is determined at the point of service in accordance with program policy and procedures. For claims data, HTW and FP providers have 95 days to submit their claims for a client served, and the adjudication process may take up to 6 months. HTW and FP are not monitored on a client served monthly basis because client-served data is not complete until 9 months after the date of service.

Heidi Group and subcontractor qualifications

New providers were encouraged to apply to the HTW and FP Open Enrollments. HHSC welcomes new providers in all our programs. Several new providers were not previously Medicaid providers and enrolled in Medicaid during 2016. Additionally, all Medicaid providers were required to re-enroll in Medicaid in 2016 as part of the ACA requirements.

The Heidi Group applied for both open enrollments. The Heidi Group submitted their application to be a Medicaid provider on April 27, 2016, to the state claims administrator, Texas Medicaid & Healthcare Partnership (TMHP). The application was approved by the Office of Inspector General (IG) and the Heidi Group was enrolled as a Medicaid provider as of August 29, 2016.

The Heidi Group complied with all required processes to be eligible for a HTW and FP contract including:

1. Enrolling as a Medicaid provider;
2. Completing the certification process; and
3. Complying with Texas Administrative Code Rules for the HTW and FP programs.

The Heidi Group has partnered with healthcare providers across the state to offer quality women's healthcare services, including family planning and birth control. The group's proposal was one of the most robust and thorough of any of those who applied for the grants. The group covers more than 62 counties in 7 regions through approximately 20 clinic sites.

Since the Heidi Group met the provider qualifications required in the HTW and FP programs, HHSC awarded them HTW and FP contracts. HHSC contracted with the Heidi Group for HTW to provide administrative support to their network of providers, similar to the other 38 HTW contractors. HHSC contracted with the Heidi Group for FP to provide administrative and clinical services through their network of providers, similar to the other 52 FP contractors. The Heidi Group has a robust network of providers across Texas including small clinics, physician offices and a federally qualified health center (FQHC).

Identified below are the Heidi Group subcontractors:

Eliud Acevedo, MD	1405 Jacaman Road Ste 101, Laredo, TX 78041
Brazos Medical Associates	4112 E. 29th Street, Bryan, TX 77802
Community Wellness Clinic	201 Enterprise Row Ste 12, Conroe, TX 77301
Health4U Clinic	1321 E Pioneer Parkway, Arlington, TX 76010
Health4U Clinic	3825 Yucca Avenue #129 Fort Worth, TX 76111
Health Now Family Practice	1700 N Hampton Rd Ste 105, DeSoto, TX 75115
Hillside Family Health Clinic PA	7130 Bell Street, Amarillo, TX 79109
Life Choices Medical Clinic	3234 Northwestern Drive, San Antonio, TX 78238
Christy Scoggins Family Clinic	1712 Hwy 1431 W, Ste B Marble Falls, TX 78654

Tenison Women's Health Center	2914 S Buckner, Ste B, Dallas, TX 75227
Tenison Women's Health Center	5505 Broadway Blvd, Ste B, Garland, TX 75043
Tenison Women's Health Center	617 W Moore Avenue, Terrell, TX 75160
Treat Now Family Clinic	2916 Kraft Street, Ste 60, Arlington, TX 76010
Treat Now Family Clinic	108 A SW 6th Avenue, Mineral Wells, TX 76067
Tyler Family Circle of Care	928 N Glenwood Blvd, Tyler, TX 75702
Family Circle of Care Jacksonville	510 East Commerce Street Jacksonville, Tx 75766
Valley Women's Care PLLC	1900 S Jackson Road, Ste 4, McAllen TX 78503
Michael A. McFarland, M.D.	1105 Oak Street, Suite A, Jourdanton, TX 78026
Rio Grande Women's Clinic-Alamo	427 E. Duranta Avenue, Ste.108, Alamo, TX 78516
Rio Grande Women's Clinic-Edinburg	2502 E. Richardson Road, Edinburg, TX 78542
Rio Grande Women's Clinic-La Joya	1/4 Mile W. Buena Vista & Hwy. 83 La Joya, Tx 78560
Rio Grande Women's Clinic-McAllen	222 E. Ridge Road, Ste. 101, McAllen, TX 78501
Rio Grande Reginal Family Practice Clinic	222 East Ridge Rd. McAllen, Tx 78501

You asked about the administrative and marketing support provided by the Heidi Group to its subcontractors.

As indicated on page 135 of their contract, the Heidi Group offers the following services to support their subcontractors:

- Administrative support through contract application and billing process for smaller clinics and physician's offices who lack the resources to apply on their own;
- Training on the Healthy Texas Women Program;
- Education about other state health programs for low income clients;
- Training on screening for eligibility and how to assess all

programs clients are eligible for;

- Community outreach strategies to help clinics recruit and enroll more patients;
- Provision of written materials for use in office and in community;
- Creation of standard manuals on Quality Assurance/Quality Improvement, Human Resources, Policies and Procedures, and Billing;
- On-site and teleconference trainings on standard topics, as well as customized to meet the needs of individual clinics;
- Regular audits and site inspections of all subcontractors; and
- Consulting expertise as needed.

Based on the Associated Press article you referenced, HHSC contacted the Heidi Group to ask about their current outreach and educational activities. Below is the Heidi Group's response:

- The Heidi Group has trained each provider on Healthy Texas Women and Family Planning Program requirements. Binders (HTW-pink, FPP-green) were assembled with printed policies, forms and general information for training and easy access to program information.
- The Heidi Group has placed newspaper ads in Laredo for two months.
- Radio interviews promoting the program were conducted across the State.
- The Heidi Group printed labels with each provider's information in order to personalize the HHSC's pink HTW cards. Before these cards were available, the Heidi Group created pink flyers with information about the program and delivered them to providers, Goodwill, Salvation Army, WIC offices, laundromats, pregnancy resource centers and other areas/facilities in the providers' community that meet target demographics.
- Created a flip chart specific to each program to simplify telephone assessments for clinic personnel.
- After a market survey, the Heidi Group purchased on-going movie theater advertisements at the request of a Central Texas provider.
- The Heidi Group offered website assistance to all subcontractors and created a website for one provider.

- The Heidi Group has offered strategic planning as well as a calendar with some community events.
- The Heidi Group's main marketing plan was funded in the Family Planning Program. The 800-Direct Connect telephone number - 1-877-WOMAN11 - uses area codes to direct the caller to the closest provider. This system is scheduled to be effective on or before April 8, 2017. Combined with radio advertising, the 800 number should help increase the number of clients served by Heidi Group subcontractors.
- One San Antonio radio station started airing ads for a Heidi Group subcontractor.

Per the Open Enrollment and resulting contracts, FP contractors are required to report on program promotion activities by providing a Program Promotion report in accordance with requirements set forth in Family Planning Program/Outreach Annual Report. The information contained in this report must include: the activity, dates, number of agency staff monitoring, number of estimated potential clients, community partners, type of media presented, and successes and challenges of activities. Each contractor outlines their program promotion activities and requests funding based on their plan.

Transparency and accountability for the women's health state contractors

HHSC conducts mid-year reviews for all contracts based on available contractor data. A mid-year review usually occurs after the six-month mark of a one year contract. This review usually takes place in late March/early April. Depending on data available and follow up with the contractor, HHSC and the contractor can amend the contract if necessary. If a contractor does not anticipate spending the awarded amount in the contract, the funds can be reallocated to another contractor who can spend the funds.